

DRAFT

MINUTES

Monday, May 14, 2012
10:00 A.M.

Manistee County Blacker Airport
Conference Room

Members Present: Paul Schulert, Chairperson; Ross Spencer, Vice-Chairperson; Duane Anderson; Ervin Kowalski; and Bob Wilson

Members Absent: Glenn Lottie; and Dale Picardat

Others Present: Barry Lind, Airport Manager; George Saylor, Airport Legal Counsel; Dave Yarnell, Manistee News Advocate; Stan Robertson, Member of the Public; and Rachel Nelson, Airport Authority Secretary

Paul Schulert, Chairperson, called the meeting to order at 10:00 A.M. Roll was taken by the Secretary.

Mr. Lind requested that two items be added to the agenda underneath New Business - hangar lease rates, and a contract addendum with Public Charters.

There was a motion by Mr. Anderson, supported by Mr. Kowalski to approve the meeting agenda with the addition of "Hangar Lease Rates", and "Contract Addendum with Public Charters" underneath New Business. Motion carried by unanimous vote.

The Chairman confirmed that each member had received a copy and had an opportunity to review the minutes from the regular meeting of the Airport Authority held on Monday, April 9, 2012.

There was a motion by Mr. Wilson, supported by Mr. Kowalski to approve the Airport Authority regular meeting minutes of Monday, April 9, 2012, as presented. Motion carried by unanimous vote.

The Authority next reviewed the updated March 2012 Financial Statement (APPENDIX A) which includes a Balance Sheet, a Statement of Revenue and Expenses, and a running account of the Passenger Facility Charges collected. The year-to-date totals had been corrected on this report, which had been approved last month.

There was a motion by Mr. Kowalski, supported by Mr. Spencer to approve the updated March 2012 Financial Statement. Motion carried by unanimous vote.

The Authority next reviewed the April 2012 Accounts Payable Report and the April 2012 Financial Statement (APPENDIX B). Mr. Lind noted that the West Coast Farm Service payment was for mower blades. Due to errors on the Statement of Revenue & Expenses, the Authority did not take action to approve these reports, and asked that Mr. Pomeroy update the reports so they can be approved at next month's meeting.

Mr. Schulert reported that the Promotion Committee needs to help encourage ticket sales. Invitations to the open house, which will be held on May 24, 2012, from 2:00 to 5:00 P.M., were sent out on Friday, May 11, 2012.

Mr. Anderson reported that the Engineer of Record RFQ Committee interviewed the only three firms that applied to perform engineering services at the airport - Prein & Newhof, Mead & Hunt, and URS. The Committee used the FAA recommended question rating system. The Committee felt that all three companies would do a good job, but Prein & Newhof rated the highest.

There was a motion by Mr. Anderson, supported by Mr. Wilson to retain Prein & Newhof as the airport's Engineer of Record.

A roll call vote was taken:

Yeas: 5 (Wilson; Kowalski; Anderson; Spencer; Schulert)

Nays: 0

Absent: 2 (Lottie; Picardat)

Motion carried.

Mr. Anderson wondered if the Engineer of Record RFQ Committee should be dissolved since an engineering firm has been selected. It was decided that the Committee would continue to exist in order to discuss the Orchard Beach Aviation contract and Airport Manager contract.

Sheets were handed out showing the Orchard Beach Aviation rent information (APPENDIX C). There were no airport incidents to report. Mr. Lind presented a report on airfares which compares flights from Manistee, Traverse City, Grand Rapids, and Muskegon for travel in June 2012 (APPENDIX D). Mr. Lind noted that airfares have gone up dramatically in the last 30 days. He also mentioned that he had been basing prices on Wednesday travel, which is generally cheaper, but since there won't be Wednesday flights in June from Manistee, he based the prices on Thursday travel.

Mr. Lind informed the Authority that the Orchard Beach Aviation employees will be going to Houghton on May 30, 2012 for the required annual firefighter training. Mr. Lind reminded the Authority that this training is done on-site every other year, so he will be applying for a 2012 Cycle-II Manistee Local Revenue Sharing Board Grant to help cover the costs in 2013.

Mr. Lind noted that there is a provision in the FAA Reauthorization bill which requires every airport to have a Contingency Plan on file with the FAA regarding how the airport would handle a plane being diverted to the airport in relation to security as well as passenger comfort. Mr. Lind has been working on the Contingency Plan, which is due tomorrow.

Mr. Lind reported that the t-hangar project is completed, however, the new t-hangars won't be usable until the re-paving project is completed. The Airport Authority and County Board of Commissioners have approved the re-paving project bid, however, the State of Michigan is still waiting to receive the federal funds. Mr. Lind stated that Amendment #5 to the agreement with Prein & Newhof for the engineering fees for the re-paving project needs to be approved. The engineering fees for the re-paving project total \$17,900, which is approximately 10% of the total project cost.

There was a motion by Mr. Spencer, supported by Mr. Kowalski to approve Amendment #5 to the contract with Prein & Newhof for engineering services for the re-paving project, at a cost of \$17,900.

A roll call vote was taken:

Yeas: 5 (Schulert; Spencer; Anderson; Kowalski; Wilson)

Nays: 0

Absent: 2 (Lottie; Picardat)

Motion carried.

Mr. Lind stated that the Bat Act prevents the use of federal funds for tree clearing from April 1st through October 31st, unless a bat expert certifies that there are no bats in the area. Mr. Lind is exploring other

funding options with the Road Commission to be able to complete the necessary tree clearing this summer.

Mr. Lind reported that a current hangar tenant is unhappy with the condition of the hangar taxi streets. The re-paving project will solve this issue, but since the project is being delayed, Mr. Lind is looking into getting a blower or sweeper to remove debris.

On May 11, 2012, an Orchard Beach Aviation employee was mowing grass along the highway and a stone was thrown and damaged a passing car. An estimate of \$800 to repair the car has been submitted to the Airport Authority's insurance. It was noted that the mower does not have a side discharge, but the slope along the highway made it possible for the rock to be thrown.

Mr. Lind informed the Authority that the grant agreement for the Alternate Essential Air Service program was signed on May 3, 2012. Tickets are on sale at FlyManistee.com, PublicCharters.com, Travelocity, and through travel agents, and the first day of service will be May 24, 2012. The initial service will be with a 50 seat Embraer 145. A reduced schedule (Sunday, Monday, Thursday, and Friday flights only) will be used through the end of June, 2012. Beginning June 24, 2012, service will be with a 30 seat Embraer 120 turboprop. Ticket sales have started off slow. An introductory fare of \$100 for a round trip is being offered with a promotional code for flights purchased before May 24, 2012, and used by mid-June. Regular round trip fares will be \$120, \$160, \$200, and \$240 with no advance purchase and a one night stay minimum. An unrestricted round trip fare is available for \$300. Mr. Lind stated that of the tickets that have been purchased, 30% originate in Manistee and 70% elsewhere, and 25% is Chicago-Manistee traffic while 75% is connecting. Based on this, Mr. Lind presented the following chart.

	Local (30%)	Remote (70%)
Non-Connect (25%)	8%	22%
Connect (75%)	18%	52%

Mr. Lind noted that the current advertising is only targeting the 8%, and other advertising options will need to be explored.

Mr. Lind noted various challenges with the air service, including lack of visibility on many on-line sites, difficulty with purchasing multiple tickets, baggage fees (first bag free, additional bags \$25, 30 lb. overweight fee), connection issues with baggage, lack of ticket sale window due to DOT delays, and getting the word out to the majority of travelers who do not live in the immediate area. A tv advertising campaign began on May 2, 2012, and will continue until service begins. The airport's website has been updated and tickets can be purchased there. A billboard will be going up in the Traverse City area later this month. Mr. Lind is evaluating the response to the advertising and planning for the second phase which will begin on May 24, 2012.

Mr. Lind reported that Alpena is in their fourth round of EAS bidding, with a deadline of May 15, 2012 for bids. If there are no bids, Air Choice One will be awarded the contract based on the third round bidding. Mr. Lind attended a presentation by Public Charters and ADI at Alpena.

Mr. Lind stated that Public Charters is wondering if the Airport Authority would consider a way to ease their initial startup fees, such as a discount or delayed payment option. After discussion, the Authority directed Mr. Lind to ask Public Charters for a specific proposal.

Mr. Lind stated that the electric bills have continued to show a pattern of 50-60% less electricity being used since there has not been air service at the airport. Mr. Lind suspects there might be an issue with the parking lot lights.

Mr. Lind stated that the current hangar rental rate is \$150 per month. The four new hangars are much nicer and have electric doors and concrete floors. It was noted that the new hangars each have their own electric meter, so the utility cost could be passed on to the renter. After Mr. Spencer did a survey of the hangar rental rates for nearby airports, Mr. Lind is recommending a rate of \$175, not including utilities, for the new hangars. There was also discussion regarding who would be able to rent the new hangars.

Mr. Lind suggested allocating two to existing renters and two to new renters. If more than two existing renters would like to move to the new hangars, a lottery selection could be used. There is a waiting list for new renters, which could be used in order of how long the individuals have been on the waiting list.

There was a motion by Mr. Spencer, supported by Mr. Anderson to keep the current hangar rental rate at \$150 per month, utilities included, and to set the rental rate for the four new hangars at \$175 per month, utilities not included.

A roll call vote was taken:

Yeas: 5 (Schulert; Wilson; Kowalski; Spencer; Anderson)

Nays: 0

Absent: 2 (Lottie; Picardat)

Motion carried.

There was a motion by Mr. Spencer, supported by Mr. Kowalski to reserve two of the four new hangars for existing tenants, using a lottery selection if more than two individuals are interested, and to reserve the other two new hangars for new tenants, using the existing waiting list in order of priority. Motion carried by unanimous vote.

Mr. Lind presented Addendum No. 1 to the Public Charters contract (APPENDIX E). The addendum allows Public Charters to contract with Quick Flight Services to provide passenger related services at the airport. Mr. Lind noted that those operating the station will have uniforms that say "Public Charters" even though they will technically be employees of Quick Flight Services.

There was a motion by Mr. Kowalski, supported by Mr. Wilson to approve Addendum No. 1 of the Airport Lease/Service Agreement with Public Charters, Inc., and to authorize the Chairman to execute the contract.

A roll call vote was taken:

Yeas: 5 (Spencer; Anderson; Kowalski; Schulert; Wilson)

Nays: 0

Absent: 2 (Lottie; Picardat)

Motion carried.

A Consulting Management Agreement with MS Creative Services, Inc., which has not yet been approved, was distributed and will be discussed at next month's meeting (APPENDIX F). The Authority will also discuss standing committees, which would be appointed annually, at their next meeting.

With there being no further business to come before the Authority, the meeting was adjourned at approximately 11:55 A.M.

Respectfully submitted,

Rachel Nelson, Airport Authority Secretary

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to view Calendar of Events, County Board Agendas and Minutes, Committee Meeting Reports (under Board of Commissioners), Airport Authority Minutes (under More Departments and Services), etc.

MANISTEE COUNTY BLACKER AIRPORT

	MARCH 2012 REVENUE & EXPENSES		BUDGET REMAINING		50%
	CURRENT MONTH	YEAR-TO DATE	ANNUAL BUDGET	BALANCE \$	%
INCOME:					
HANGER RENTAL	\$ 1,375.00	\$ 10,804.80	\$ 22,000.00	\$ 11,195.20	51%
LANDING FEES - GREAT LAKES/FRONTIER	\$ 6,559.41	\$ 94,896.36	\$ 212,008.00	\$ 117,111.64	55%
LANDING FEES - GENERAL AVIATION	\$ 36.00	\$ 153.00	\$ 1,250.00	\$ 1,097.00	88%
AUTO RENTAL SPACE	\$ -	\$ 5,904.80	\$ 10,000.00	\$ 4,095.20	41%
OFFICE RENT	\$ 955.00	\$ 5,730.00	\$ 11,460.00	\$ 5,730.00	50%
COUNTY OF MANISTEE	\$ 9,583.00	\$ 47,498.00	\$ 105,000.00	\$ 57,502.00	55%
COUNTY OF MANISTEE-MARKETING	\$ -	\$ 10,000.00	\$ 10,000.00	\$ -	0%
CONTRIBUTIONS-MARKETING	\$ -	\$ -	\$ 5,000.00	\$ 5,000.00	100%
PASSENGER FACILITY CHARGES	\$ 1,550.48	\$ 17,133.83	\$ 50,000.00	\$ 32,866.17	66%
FUEL SALES	\$ 221.91	\$ 1,630.85	\$ 6,600.00	\$ 4,969.15	75%
SIGN LEASE	\$ -	\$ -	\$ 3,800.00	\$ 3,800.00	100%
MISCELLANEOUS	\$ -	\$ 450.00	\$ 1,000.00	\$ 550.00	100%
TOTAL INCOME	\$ 20,280.80	\$ 194,201.64	\$ 438,118.00	\$ 243,916.36	56%
EXPENSES:					
PERSONNEL - MANAGEMENT	\$ 3,376.53	\$ 20,259.18	\$ 40,518.00	\$ 20,258.82	50%
PERSONNEL - OPERATIONS & MAINTENANCE	\$ 19,573.91	\$ 108,972.72	\$ 222,000.00	\$ 113,027.28	51%
DUES & FEES	\$ -	\$ 345.00	\$ 800.00	\$ 455.00	57%
SUPPLIES	\$ 100.85	\$ 1,641.62	\$ 3,000.00	\$ 1,358.38	45%
UTILITIES	\$ 911.51	\$ 16,638.82	\$ 38,000.00	\$ 21,361.18	56%
FUEL	\$ 1,500.48	\$ 5,630.17	\$ 9,000.00	\$ 3,369.83	37%
REPAIRS & MAINTENANCE	\$ 410.67	\$ 10,119.95	\$ 12,000.00	\$ 1,880.05	16%
CONTRACTED SERVICES	\$ -	\$ 711.00	\$ 2,000.00	\$ 1,289.00	64%
LEGAL	\$ 69.00	\$ 1,260.75	\$ 4,000.00	\$ 2,739.25	68%
AUDIT	\$ 1,600.00	\$ 1,600.00	\$ 1,500.00	\$ (100.00)	-7%
ADVERTISING	\$ -	\$ -	\$ 25,000.00	\$ 25,000.00	0%
TELEPHONE	\$ 19.66	\$ 120.14	\$ 300.00	\$ 179.86	60%
INSURANCE	\$ -	\$ 13,271.13	\$ 21,000.00	\$ 7,728.87	37%
TRAINING (FIRE FIGHTER)	\$ -	\$ -	\$ -	\$ -	0%
EQUIPMENT	\$ -	\$ -	\$ 5,000.00	\$ 5,000.00	0%
BOOKKEEPING	\$ -	\$ -	\$ 3,000.00	\$ 3,000.00	100%
PFC EXPENSES	\$ (313.50)	\$ 7,625.00	\$ 50,000.00	\$ 42,375.00	100%
MISCELLANEOUS	\$ -	\$ 950.48	\$ 1,000.00	\$ 49.52	5%
	\$ 27,249.11	\$ 189,145.96	\$ 438,118.00	\$ 248,972.04	57%
EXCESS REVENUE OVER/(UNDER) EXPENDITURES	\$ (6,968.31)	\$ 5,055.68			
BALANCE ON HAND - AIRPORT FUND					
BEGINNING BALANCE 03/01/12	\$ 1,236.50				
MARCH RECEIPTS	\$ 12,347.49				
FEBRUARY DISBURSEMENTS	\$ (29,406.85)				
	\$ (15,822.86)				

MANISTEE COUNTY BLACKER AIRPORT

MARCH 2012 BALANCE SHEET

ASSETS	3/31/2012	2/29/2012
CASH	\$ (15,822.86)	\$ 1,236.50
CASH - PFC ACCOUNT	\$ 74,890.19	\$ 73,339.71
ACCOUNTS RECEIVABLE		
FRONTIER AIRLINES	\$ 77,228.97	\$ 70,669.56
AUTO RENTAL	\$ -	
MISC.	\$ 757.91	\$ 620.99
TOTAL ASSETS	\$ 137,054.21	\$ 145,866.76
LIABILITIES	3/31/2012	2/29/2012
ACCOUNTS PAYABLE - TRADE	\$ 27,562.61	\$ 29,406.85
ACCOUNTS PAYABLE - COUNTY	\$ -	\$ -
PREPAID HANGER RENT	\$ -	\$ -
TOTAL LIABILITIES	\$ 27,562.61	\$ 29,406.85
FUND BALANCE	\$ 109,491.60	\$ 116,459.91
TOTAL LIABILITIES AND FUND BALANCE	\$ 137,054.21	\$ 145,866.76

PASSENGER FACILITY CHARGES COLLECTED THROUGH 03/31/2012	\$ 82,515.19
STATE OF MICHIGAN (PARKING LOT & T-HANGERS)	\$ (7,625.00)
CONSUMERS ENERGY	\$ (313.50)
STATE OF MICHIGAN (PARKING LOT & T-HANGERS)	\$ 313.50

PFC FUNDS AVAILABLE **\$ 74,890.19**

PUBLIC IMPROVEMENT FUND - CASH AVAILABLE AS OF 03/31/2012 **\$ 683.39**

AUTO RENTAL REVENUE BY COMPANY THROUGH 03/31/2012

ENTERPRISE CAR RENTALS	\$ 2,072.37
MOWERY LEASING & RENTAL	\$ 3,257.20
GWK AGENCY	\$ 575.23
TOTAL	\$ 5,904.80

MANISTEE COUNTY BLACKER AIRPORT

APRIL 2012 ACCOUNTS PAYABLE

CHECK #	VENDOR NAME	AMOUNT
	BARRY LIND	\$ 3,376.53
	CONSUMERS ENERGY	\$ 1,764.43
	A T & T	\$ -
	MICHCON (DTE ENERGY)	\$ 156.78
	GOCKERMAN, WILSON, SAYLOR	\$ 1,023.50
	WEST COAST FARM SERVICE	\$ 1,893.00
	ACE HARDWARE	\$ 186.24
	FASTENAL	\$ 115.65
	DIRECT TV	\$ -
	NAPA AUTO PARTS	\$ 5.09
	PIPER MCCREDIE AGENCY	\$ 7,688.00
	BLUE GLOBES, LLC	\$ 98.29
	JACKPINE BUSINESS CENTER	\$ 191.56
	CUSTOM SHEET METAL & HEATING	\$ 300.00
	GILLISON'S	\$ 350.66
	PRIMARY AIRPORT SERVICES	\$ -
	COFESSCO FIRE PROTECTION	\$ 100.98
	CARL'S EXCAVATING, INC.	\$ 258.45
	STATE OF MICHIGAN	\$ 100.00
	TOTAL	\$ 17,609.16
	ADVERTISING INVOICES	
	MS CREATIVE SERVICES	\$ -
	TOTAL	\$ -
	ORCHARD BEACH AVIATION	
	REGULAR HOURS 300 @ 15.50	4,650.00
	MAINTENANCE HOURS 184.5 @ 15.50	2,859.75
	PART 139 LABOR	-
	INTERNET	150.00
	GRAND TOTAL	\$ 25,268.91

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MANISTEE COUNTY BLACKER AIRPORT

APRIL 2012 REVENUE & EXPENSES			BUDGET REMAINING		50%
	CURRENT MONTH	YEAR-TO DATE	ANNUAL BUDGET	BALANCE \$	%
INCOME:					
HANGER RENTAL	\$ 1,375.00	\$ 12,179.80	\$ 22,000.00	\$ 9,820.20	45%
LANDING FEES - GREAT LAKES/FRONTIER	\$ -	\$ 94,896.36	\$ 212,008.00	\$ 117,111.64	55%
LANDING FEES - GENERAL AVIATION	\$ -	\$ 153.00	\$ 1,250.00	\$ 1,097.00	88%
AUTO RENTAL SPACE	\$ -	\$ 5,904.80	\$ 10,000.00	\$ 4,095.20	41%
OFFICE RENT	\$ 955.00	\$ 6,685.00	\$ 11,460.00	\$ 4,775.00	42%
COUNTY OF MANISTEE	\$ 9,583.00	\$ 57,081.00	\$ 105,000.00	\$ 47,919.00	46%
COUNTY OF MANISTEE-MARKETING	\$ -	\$ 10,000.00	\$ 10,000.00	\$ -	0%
CONTRIBUTIONS-MARKETING	\$ -	\$ -	\$ 5,000.00	\$ 5,000.00	100%
PASSENGER FACILITY CHARGES	\$ 690.35	\$ 17,133.83	\$ 50,000.00	\$ 32,866.17	66%
FUEL SALES	\$ 304.47	\$ 1,935.32	\$ 6,600.00	\$ 4,664.68	71%
SIGN LEASE	\$ 2,600.00	\$ 2,600.00	\$ 3,800.00	\$ 1,200.00	32%
MISCELLANEOUS	\$ -	\$ 450.00	\$ 1,000.00	\$ 550.00	100%
TOTAL INCOME	\$ 15,507.82	\$ 209,019.11	\$ 438,118.00	\$ 229,098.89	52%
EXPENSES:					
PERSONNEL - MANAGEMENT	\$ 3,376.53	\$ 23,635.71	\$ 40,518.00	\$ 16,882.29	42%
PERSONNEL - OPERATIONS & MAINTENANCE	\$ 7,509.75	\$ 116,482.47	\$ 222,000.00	\$ 105,517.53	48%
DUES & FEES	\$ -	\$ 345.00	\$ 800.00	\$ 455.00	57%
SUPPLIES	\$ 307.21	\$ 1,948.83	\$ 3,000.00	\$ 1,051.17	35%
UTILITIES	\$ 1,405.45	\$ 18,044.27	\$ 38,000.00	\$ 19,955.73	53%
FUEL	\$ -	\$ 5,630.17	\$ 9,000.00	\$ 3,369.83	37%
REPAIRS & MAINTENANCE	\$ 3,192.71	\$ 13,312.66	\$ 12,000.00	\$ (1,312.66)	-11%
CONTRACTED SERVICES	\$ -	\$ 711.00	\$ 2,000.00	\$ 1,289.00	64%
LEGAL	\$ 1,023.50	\$ 2,284.25	\$ 4,000.00	\$ 1,715.75	43%
AUDIT	\$ -	\$ 1,600.00	\$ 1,500.00	\$ (100.00)	-7%
ADVERTISING	\$ -	\$ -	\$ 25,000.00	\$ 25,000.00	0%
TELEPHONE	\$ -	\$ 120.14	\$ 300.00	\$ 179.86	60%
INSURANCE	\$ 7,688.00	\$ 20,959.13	\$ 21,000.00	\$ 40.87	0%
TRAINING (FIRE FIGHTER)	\$ -	\$ -	\$ -	\$ -	0%
EQUIPMENT	\$ -	\$ -	\$ 5,000.00	\$ 5,000.00	0%
BOOKKEEPING	\$ -	\$ -	\$ 3,000.00	\$ 3,000.00	100%
PFC EXPENSES	\$ (683.39)	\$ 6,941.61	\$ 50,000.00	\$ 43,058.39	100%
MISCELLANEOUS	\$ 100.00	\$ 1,050.48	\$ 1,000.00	\$ (50.48)	-5%
	\$ 23,919.76	\$ 213,065.72	\$ 438,118.00	\$ 225,052.28	51%
EXCESS REVENUE OVER/(UNDER) EXPENDITURES	\$ (8,411.94)	\$ (4,046.61)			
BALANCE ON HAND - AIRPORT FUND					
BEGINNING BALANCE 03/01/12	\$ (15,822.86)				
MARCH RECEIPTS	\$ 92,664.64				
FEBRUARY DISBURSEMENTS	\$ (27,561.61)				
	\$ 49,280.17				

MANISTEE COUNTY BLACKER AIRPORT

APRIL 2012 BALANCE SHEET

ASSETS	4/30/2012	3/31/2012
CASH	\$ 49,280.17	\$ (15,822.86)
CASH - PFC ACCOUNT	\$ 76,263.93	\$ 74,890.19
ACCOUNTS RECEIVABLE		
FRONTIER AIRLINES	\$ -	\$ 77,228.97
AUTO RENTAL	\$ -	
MISC.	\$ 804.47	\$ 757.91
TOTAL ASSETS	\$ 126,348.57	\$ 137,054.21

LIABILITIES	4/30/2012	3/31/2012
ACCOUNTS PAYABLE - TRADE	\$ 25,268.91	\$ 27,562.61
ACCOUNTS PAYABLE - COUNTY	\$ -	\$ -
PREPAID HANGER RENT	\$ -	\$ -
TOTAL LIABILITIES	\$ 25,268.91	\$ 27,562.61

FUND BALANCE	\$ 101,079.66	\$ 109,491.60
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TOTAL LIABILITIES AND FUND BALANCE	\$ 126,348.57	\$ 137,054.21
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PASSENGER FACILITY CHARGES COLLECTED THROUGH 04/30/2012	\$ 83,205.54
STATE OF MICHIGAN (PARKING LOT & T-HANGERS)	\$ (7,625.00)
CONSUMERS ENERGY	\$ (313.50)
STATE OF MICHIGAN (PARKING LOT & T-HANGERS)	\$ 313.50
TRANSFER OF PUBLIC IMPROVEMENT FUNDS	\$ 683.39

PFC FUNDS AVAILABLE	\$ 76,263.93
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PUBLIC IMPROVEMENT FUND - CASH AVAILABLE AS OF 04/30/2012	\$ -
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AUTO RENTAL REVENUE BY COMPANY THROUGH 04/30/2012

ENTERPRISE CAR RENTALS	\$ 2,072.37
MOWERY LEASING & RENTAL	\$ 3,257.20
GWK AGENCY	\$ 575.23
TOTAL	\$ 5,904.80

ORCHARD BEACH AVIATION**April 2012****RENT**

OFFICE	\$325.00	
HANGER	\$175.00	
FUEL	\$304.47	
LANDING FEES		
TWIN	\$0.00	(0 @ \$9)
JET	\$0.00	(0 @ \$18)

TOTAL	\$804.47
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100	821.8 Gal
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JET	1208.0 Gal
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TOTAL	2029.8 Gal
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APPENDIX D

June Travel as of 05/13/12

Best Fares

	MBL	TVC	GRR	MKG
Atlanta (ATL)	386 WN	448 DL	360 FL	438 UA
Boston (BOS)	518 WN	562 UA	290 FL	425 UA
Chicago (MDW or ORD)	120 P1	348 AA	480 AA	204 UA
Dallas (DFW)	506 DL	603 DL	490 AA	480 UA
Denver (DEN)	388 WN	614 AA	323 DL	463 UA
Houston (HOU)	456 WN	622 DL	419 UA	530 UA
Kansas City (MCI)	426 WN	489 DL	264 UA	429 UA
Las Vegas (LAS)	552 WN	580 AA	460 DL	800 UA
Los Angeles (LAX)	580 WN	589 UA	534 AA	577 UA
Minneapolis (MSP)	321 DL	418 AA	514 DL	395 UA
New York Area (NYC)	496 WN	480 AA	294 UA	383 UA
Orlando (MCO)	401 DL/FL	539 DL	264 DL	621 UA
Philadelphia (PHL)	494 WN	480 AA	478 DL	536 UA
Phoenix (PHX)	516 F9	684 DL	476 UA	693 UA
Portland (PDX)	612 WN	771 DL	501 US	692 UA
San Diego (SAN)	623 WN	652 DL	492 DL	649 UA
San Francisco (SFO)	601 WN	777 DL	534 AA	654 UA
Seattle (SEA)	574 WN	730 DL	569 UA	593 UA
St Louis (STL)	359 WN	448 AA	448 AA	332 UA
Washington DC Area (WAS)	437 WN	390 AA	120 F9	480 UA

Average Fare	\$468.30	\$561.20	\$415.50	\$518.70
Change from last month	\$80.75	\$121.80	\$27.10	\$106.50
Change from two months ago	\$96.90	\$127.35	\$33.40	\$106.45

Fares Pulled 05/13/12 for travel 06/14/12 - 06/21/12

Best Fares +7 days parking

	MBL	TVC	GRR	MKG
Atlanta (ATL)	386 WN	488 DL	414 FL	466 UA
Boston (BOS)	518 WN	602 UA	344 FL	453 UA
Chicago (MDW or ORD)	120 P1	388 AA	534 AA	232 UA
Dallas (DFW)	506 DL	643 DL	544 AA	508 UA
Denver (DEN)	388 WN	654 AA	377 DL	491 UA
Houston (HOU)	456 WN	662 DL	473 UA	558 UA
Kansas City (MCI)	426 WN	529 DL	318 UA	457 UA
Las Vegas (LAS)	552 WN	620 AA	514 DL	828 UA
Los Angeles (LAX)	580 WN	629 UA	588 AA	605 UA
Minneapolis (MSP)	321 DL	458 AA	568 DL	423 UA
New York Area (NYC)	496 WN	520 AA	348 UA	411 UA
Orlando (MCO)	401 DL/FL	579 DL	318 DL	649 UA
Philadelphia (PHL)	494 WN	520 AA	532 DL	564 UA
Phoenix (PHX)	516 F9	724 DL	530 UA	721 UA
Portland (PDX)	612 WN	811 DL	555 US	720 UA
San Diego (SAN)	623 WN	692 DL	546 DL	677 UA
San Francisco (SFO)	601 WN	817 DL	588 AA	682 UA
Seattle (SEA)	574 WN	770 DL	623 UA	621 UA
St Louis (STL)	359 WN	488 AA	502 AA	360 UA
Washington DC Area (WAS)	437 WN	430 AA	174 F9	508 UA

Average Fare	\$468.30	\$601.20	\$469.50	\$546.70
Change from last month	\$80.75	\$121.80	\$27.10	\$106.50
Change from two months ago	\$96.90	\$127.35	\$33.40	\$106.45

Parking Fees for one week are \$0 at Manistee, \$40 at Traverse City, \$54 at Grand Rapids, \$28 at Muskegon

ADDENDUM NO. 1

WHEREAS, the Manistee County Blacker Airport Authority, a body corporate ("Airport"), organized under the provisions of Act 206, Public Acts of 1957, of the State of Michigan, of 2323 Airport Road, Manistee, MI 49660 and Public Charters, Inc., a Pennsylvania corporation ("Indirect Air Carrier") of 201 Hangar Road, Avoca, PA 18641 (collectively "parties"), have entered into an Airport Lease/Service Agreement relating to the Indirect Air Carrier providing certain airline services at the Manistee County Blacker Airport and the leasing of certain Airport property to conduct its operations;

WHEREAS, Paragraph 17 of the parties' agreement provides that any assignment or sub-letting of the Indirect Air Carrier's obligations under the terms of the Agreement only occur after the written consent of the Airport;

WHEREAS, the Indirect Air Carrier, with the consent of the Airport, desires to engage the services of Quick Flight Services to provide airline passenger services at the Manistee County Blacker Airport as required of the Indirect Air Carrier under the parties' Agreement;

NOW, THEREFORE, the Airport gives its consent, pursuant to the parties' Agreement, that the Indirect Air Carrier contract with Quick Flight Services for the providing of passenger related services at the Manistee County Blacker Airport for which the Indirect Air Carrier is obligated under the parties' Agreement.

IT IS FURTHER AGREED that this Addendum No. 1 in now way releases Indirect Air Carrier from the underlying obligation to provide the subcontracted services under the parties Agreement;

IT IS FURTHER AGREED that Quick Flight Services shall ensure its full compliance with the terms of the underlying agreement between the parties, rules and regulations of the Manistee County Blacker Airport, and all state, federal and local laws.

Dated: _____, 2012.

Manistee County Blacker Airport Authority

By _____

Its _____

Dated: _____, 2012.

Public Charters, Inc.

By _____

Its _____

Dated: _____, 2012.

Quick Flight Services

By _____

Its _____

Prepared by:

GOCKERMAN, WILSON, SAYLOR &
HESSLIN, P.C.

By: George V. Saylor, III (P37146)

Attorneys at Law

414 Water Street

Manistee, MI 49660

(231) 723-8333

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PH/ 231-723-9097 FAX/ 231-723-9073

Consulting Management Agreement

Client: Manistee County Blacker Airport

Date: 4/9/12

Objective

- Devise a comprehensive advertising strategy for P1 Airlines and www.flymanistee.com.
- Create brand awareness and call-to-action for air service between MBL and MDW.
- Differentiate P1 Airlines and MBL from other regional carriers and airports.
- Educate the public that Manistee Blacker is a viable option for air travel.
- Communicate a consistent message and unified image across all mediums.
- Maximize the advertising resources of Manistee Blacker Airport/P1 Airlines.

Scope

1. Prepare an annual advertising plan and budget to reach the Northern Michigan market.
2. Execute a targeted direct marketing campaign at key niche market segments in Chicago.
3. Update and maintain the www.flymanistee.com website.
4. Develop a positioning statement or "slogan".
5. Create a series of radio, cable and broadcast TV, on-line ads and billboards designed to create top-of-mind awareness and stimulate a call-to-action.
6. Manage media solicitation, placement and payment.
7. Provide ongoing consulting, research, creative and media production services.

Term

The term of this agreement is one year from the date of acceptance. Either party can terminate the agreement upon 30 days written notice.

Billing

Manistee Blacker Airport responsible for all pre-approved media expenses. All consulting, creative and production services will be included in the annual budget and billed monthly. All MS Creative invoices are due on receipt.

Fees and Expenses

Consulting Meetings, Account Management and Media Placement/Management Services will be included in a \$500/monthly retainer. Media Production and Web Development/Maintenance will be bid according to the specifics of the projects. These expenses, along with all media advertising and other related expenses, will be included in the Annual Budget Worksheet.

Respectfully submitted, Date
MS Creative Services, Inc.

Accepted, Date
Manistee County Blacker Airport